

EX PARTE OR LATE FILED



R. Gerard Salemm
Vice President - Government Affairs

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1120 20th Street, N.W.
Washington, DC 20036
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July 23, 1996

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JUL 24 1996

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Ex Parte Presentation -- CC Docket No. 96-98

Dear Mr. Caton:

Today AT&T provided copies of the attached documents to Regina Keeney, Chief, Common Carrier Bureau; John Nakahata, Special Assistant to Chairman Reed Hundt; Lauren Belvin, Senior Legal Advisor to Commissioner James Quello; James Casserly, Senior Legal Advisor to Commissioner Susan Ness, and Daniel Gonzalez, Legal Advisor to Commissioner Rachelle Chong.

Because the copies were delivered late in the day, two copies of this Notice, along with the attached letters, are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's rules.

Sincerely,

Attachment

cc: R. Keeney
J. Nakahata
L. Belvin
J. Casserly
D. Gonzalez

No. of Copies rec'd 241
List A B C D E

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JUL 24 1996

USF DATA
COLLECTION, CC: 80-
288 FILED ON 9/29/95.
FORM USF3013-0.

ADJUSTED FEDERAL COMMUNICATIONS COMMISSION
C/LP per mo. OFFICE OF SECRETARY
1994

INDUSTRY	C/LP per mo. 1994	C/LP per mo. 1994
ALABAMA	22.04	21.25
ALASKA	31.80	29.84
ARIZONA	23.30	21.83
ARKANSAS	28.15	26.55
CALIFORNIA	17.21	16.16
COLORADO	21.70	20.36
CONNECTICUT	20.32	19.06
DELAWARE	17.83	16.74
DISTRICT OF COLUMBIA	6.42	5.99
FLORIDA	25.10	23.62
GEORGIA	25.88	24.63
HAWAII	23.09	21.30
IDAHO	25.86	24.31
ILLINOIS	13.95	12.86
INDIANA	19.26	17.80
IOWA	16.82	15.85
KANSAS	23.67	22.34
KENTUCKY	24.52	23.10
LOUISIANA	25.93	24.45
MAINE	28.12	26.20
MARYLAND	17.82	16.85
MASSACHUSETTS	18.77	17.61
MICHIGAN	18.90	17.49
MICRONESIA	56.80	54.25
MINNESOTA	19.05	17.84
MISSISSIPPI	28.88	27.57
MISSOURI	21.02	20.08
MONTANA	26.82	25.25
NEBRASKA	18.04	16.97
NEVADA	15.53	14.44
NEW HAMPSHIRE	27.89	26.02
NEW JERSEY	16.89	15.93
NEW MEXICO	26.09	24.51
NEW YORK	21.98	20.63
NO CAROLINA	25.10	23.88
NORTH DAKOTA	21.96	20.66
OHIO	18.94	17.55
OKLAHOMA	23.00	21.60
OREGON	23.00	21.50
PENNSYLVANIA	17.82	16.82
PUERTO RICO	29.73	28.37
RHODE ISLAND	19.10	17.91
SOUTH CAROLINA	28.82	27.32
SOUTH DAKOTA	20.40	19.27
TENNESSEE	22.40	21.18
TEXAS	22.02	20.76
UTAH	17.39	16.35
VERMONT	31.93	29.74
VIRGIN ISLANDS	46.70	43.45
VIRGINIA	21.00	19.77
WASHINGTON	19.59	18.24
WEST VIRGINIA	30.12	28.45
WISCONSIN	18.32	17.01
WYOMING	32.81	30.66
TOTAL INDUSTRY	20.69	19.45

ADJUSTMENTS MADE TO 1994 CALENDAR YEAR EMBEDDED LOOP COSTS REPORTED BY THE LECs

1. Adjustments made to the booked (embedded) amounts reported by the LECs on the Universal Service Data Collection Form. The adjustments to selected accounts effectively remove the "retail" portion of the embedded costs from the calculation of an average cost per loop for each LEC. The following accounts were adjusted:

....**Account 6120 - General Support Expenses**. 20% of the booked amounts were removed from the calculation of an adjusted average cost per loop. GSF expenses are associated with Land & Buildings, Furniture & Artworks, Office Equipment, and General Purpose Computer expenses.

....**Account 6220 - Operator Systems Expenses**. 100% of the booked amounts were removed from the calculation of adjusted average cost per loop. Operator Systems Expenses are associated with operator systems equipment.

....**Account 6530 - Network Operations Expenses*****. 20% of the booked amounts were removed from the calculation of an adjusted average cost per loop. Network Operations Expenses are associated with Power, Network Administration, Testing, Plant Operations Administration and Engineering. →

***The avoided cost model only addressed Account 6533 - Testing, and Account 6534 - Plant Operations Administration. Work will be done to estimate what portion of total Account 6530 these expenses represent. By including all Account 6530 as subject to the 20% avoidable factor, our adjusted loop cost may be understated.

....**Accounts 6710 - Executive & Planning and 672 - General Administration**. 20% of the booked amounts were removed from the calculation of an adjusted cost per loop. These expenses include Executive, Planning, General, Administration, Accounting and Finance, External Relations, Human Resources, Information Management, Legal, Procurement, Research and Development, Other General and Administrative, and Provision for Uncollectible Notes Receivable.

2. Certain accounts are not reported in connection with developing an average cost per loop in the Universal Service Data Collection Form. These include:

....**Account 6810 - Marketing Expenses**. Product Management, Sales and Product Advertising are booked in this account.

....~~Account 9230 - Services Expenses~~. Call Completion Services, Number Services, and Customer Services (establishing and servicing customer accounts.)



R. Gerard Salomon
Vice President - Government Affairs

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July 23, 1996

Mr. Daniel Gonzales
Commissioner Chong's Office
1919 M Street, NW
Washington, DC 20554

Mr. ~~Gonzales~~: 

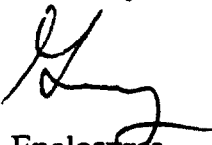
Attached per the request of the FCC staff are the industry and RBOC embedded cost per loop results by state for 1994. This data was originally filed in CC Docket No. 80-286 (form USF 3013-0). We are now filing this data in CC Docket No. 96-98.

The filed data excludes the marketing and customer services expense accounts 6610 and 6620 respectively. In addition, we have removed other retail direct and indirect expenses. Attachment A identifies the accounts which have been removed.

The weighted average industry cost per loop (as filed) is \$20.69 per line, per month. The industry value with the additional retail expenses removed is \$19.45. The corresponding RBOC values are \$19.30 and \$18.14.

I hope you find the material helpful. Please call me should you have any questions.

Sincerely,



Enclosures



R. Gerard Salerni
Vice President - Government Affairs

Suite 1000
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July 23, 1996

Ms. Regina Keeney
Chief, Common Carrier Bureau
1919 M Street, NW
Washington, DC 20554

Ms. Keeney:
6/27/96

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Sincerely,

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Enclosures



R. Gerard Salame
Vice President - Government Affairs

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July 23, 1996

Mr. John Nakahata
Office of Chairman Reed E. Hundt
1919 M Street, NW Room 814
Washington, DC 20554

Mr. ~~Nakahata~~:

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R. Gerard Salomone
Vice President - Government Affairs

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Mr. James Casserly
Commissioner Ness's Office
1919 M Street, NW
Washington, DC 20554

Mr. Casserly:

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R. Gerard Salazar
Vice President - Government Affairs

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July 23, 1996

Ms. Lauren Belvin
Commissioner Quello's Office
1919 M Street, NW
Washington, DC 20554

Ms. Belvin:


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